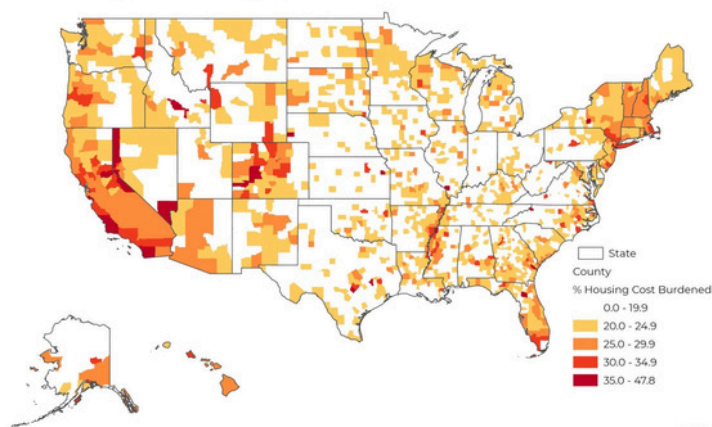


# HOUSING ASSISTANCE COUNCIL

## 2026 RURAL HOUSING POLICY PRIORITIES: EXECUTIVE SUMMARY

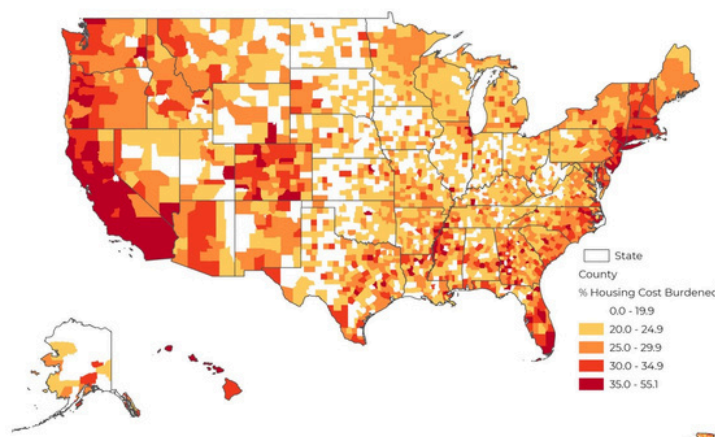
For over 50 years, the Housing Assistance Council (HAC) has been the voice for rural and persistently poor communities. Rural America is home to about 20 percent of the U.S. population and covers more than 90 percent of the U.S. landmass. Small towns and rural regions are diverse demographically and economically, and face a wide array of local challenges and opportunities for developing their communities and housing. While each place is unique, HAC has documented several themes. Rural communities experience housing market dysfunction, persistent poverty, substandard housing conditions, incomes well below the national median, increasing affordability challenges, and an aging housing stock. Complicating these challenges, a lack of reliable rural data obscures rural realities. The maps below show the dramatic increase in housing cost burden over the last four decades.

Housing Affordability, 1980



Source: Housing Assistance Council Tabulations of Census Bureau's 1980 Census of Population and Housing.

Housing Affordability, 2021



Source: Housing Assistance Council Tabulations of Census Bureau's 2017-2021 American Community Survey.

## In addressing these challenges, HAC's federal policy priorities are:

### Improving housing supply and affordability in small towns and rural places.

Like in other parts of the country, housing supply and affordability have become a crises for rural residents. However, unlike in other parts of the country, the economics of rural housing markets themselves are often broken, making public private partnerships especially important in addressing housing needs.

There is a national shortage of millions of units of housing in the U.S., driven largely by inadequate public and private investment, a burdensome regulatory landscape and local land use policy, and few incentives to build modest starter homes. The number of housing units in rural communities increased by roughly 246,000 or 1 percent between 2013 and 2023 compared to a 10 percent increase in non-rural counties. In many rural places, existing housing units are being lost faster than new units are being built, meaning that preservation of the existing stock is a critical component of the supply puzzle.

This trend can be reversed through a variety of federal investments, targeted regulatory streamlining, and a thoughtful modernization of the federal bureaucracy.

Single-family housing opportunity can be improved through the Self-Help Homeownership Opportunity Program (SHOP) at HUD; support for the single-family loan programs at USDA; increased federal focus on improving and increasing high quality manufactured housing options in rural places; investments in home repair with a focus on aging in place; and federal recognition of the challenges around heirs' property, which fall disproportionately on families of color.

Many rural places lack adequate rental housing options, which could be addressed through support for the preservation of USDA's aging multifamily rental portfolio and through investing in HUD's multifamily programs, which also serve rural places across the country.

Additionally, homelessness can be more challenging to quantify in rural places, so rural-tailored programs are needed to address rural homelessness.

Private markets alone cannot address the housing supply needs of rural America, and affordability cannot be ignored when new supply is being considered.

## Building the capacity of local affordable housing and community development organizations deeply rooted in rural places.

Increased federal investment in rural capacity building has the power to drive community and economic development, change the outlook and mindset of entire communities, and create a positive narrative of rural vibrancy and innovation. Without deeply embedded, high-capacity local organizations, available federal funding and other capital will never evenly flow to rural communities.

HAC supports increased funding for both existing programs like the Rural Capacity Building (RCB) program at HUD at the Rural Community Development Initiative (RCDI) and USDA and new programs like the Rural Partnership Program to transform the local capacity embedded in rural places.

## Expanding access to credit and safe, affordable lending in underserved rural communities.

In recent decades, many rural regions have been stripped of their economic engines, financial establishments, and anchor institutions. Added to the shortage of federal and philanthropic investment, the result is that rural America faces a dire lack of access to capital. Access to capital can determine the future success of an entire rural community or region.

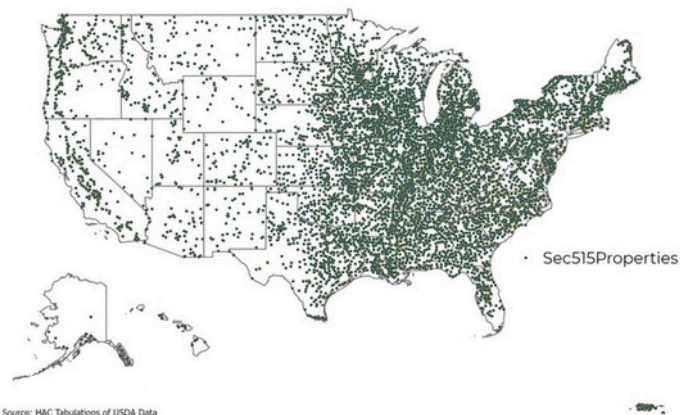
HAC supports increased federal investment in Community Development Financial Institutions (CDFIs), which step into the gap in financial services access to underserved communities, through the CDFI Fund. HAC also supports increased geographic equity in the financial services industry through programs and regulations like the Duty to Serve at the FHFA and the Community Reinvestment Act.

## Preserving the critical stock of USDA multifamily homes amid the growing maturing mortgage crisis.

Rental homes financed by USDA are an important source of housing in many rural communities. Today, there are nearly 12,500 USDA rental properties providing around 360,000 affordable homes to families and individuals across rural America.

However, due to federal funding cuts, no new USDA direct-financed rental housing has been developed in over a decade, and the existing properties are increasingly losing their affordability provisions. Once the mortgage on the property matures, the units lose their rental subsidy and thus their affordability. Significant federal commitment is needed to address this rising crisis.

**USDA SECTION 515 MULTIFAMILY HOUSING PROPERTIES, June, 2021**



HAC supports increased funding for the entire suite of USDA multifamily programs to address the preservation needs of the multifamily portfolio and allow for new construction to resume; the extension of rural rental assistance to all USDA multifamily units; decoupling of the mortgage and rental assistance upon mortgage maturity to allow the rental assistance to continue; and improved protections for tenants in USDA properties that are being preserved.

## Preserving, increasing, and tailoring resources for federal affordable housing programs serving rural populations.

Federal housing programs are often designed to serve and address urban challenges. But a one-size-fits-all approach doesn't work in many rural places, especially those facing persistent poverty. HAC supports tailoring federal housing and tax programs to proactively take geographic equity into account, with a focus on underserved regions like Native lands, farmworker communities, colonias, the lower Mississippi Delta, and central Appalachia. Additionally, HAC supports increased investment across the spectrum of federal housing programs, especially for those at the USDA's Rural Housing Service, which are uniquely tailored to the needs of rural communities.



For more information visit  
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